

MINUTES OF THE 463rd MEETING OF THE BRITISH TOURIST AUTHORITY (BTA) BOARD
 HELD ON TUESDAY 6TH DECEMBER 2022 AT 1000
 3 Grosvenor Gardens, London

Present:

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| Nick de Bois CBE | BTA Board Chair |
| Dame Judith Macgregor DCMG LVO | Board Member |
| Carol Hui | Board Member / Audit & Risk Committee Chair |
| Karin Sheppard | Board Member |
| Ian Edwards | Board Member / Wales Representative (ex-officio) |
| Rt Hon Viscount Thurso | Board Member / VisitScotland Chairman (ex-officio) |
| Mark Taylor | London and Partners (Observer) |
| Patricia Corbett MBE | Northern Ireland Tourist Board, (Observer) |
| Peter Gowers | Board Member |
| Hanna Ostling | DCMS Observer |

In Attendance:

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|--------------------------|--|
| Patricia Yates | CEO/ Accounting Officer |
| Andrew Stokes | Director VisitEngland and Commercial |
| Gary Robson | Director Europe |
| Shivah Jahangir-Tafreshi | Director of Strategy and Communications |
| Robin Johnson | Director of Marketing |
| Debra Lang | Director of HR and Professional Services |
| Henry Bankes | General Counsel and Company Secretary |
| Serena Jacobs | Director of Finance |
| Richard Nicholls | Head of Research and Forecasting |
| Saul Batzofin | Head of Programme Management Office |
| Rachael Farrington | Head of Tourism Affairs |
| Evelyn White | Company Secretarial Executive (minutes) |

Agenda Item 1: Welcome and Introductions

1.1: Apologies for absence

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|---------------|--|
| Fiona Pollard | VEAB Interim Chair |
| Duncan Parish | Deputy Director of Tourism and Cultural Diplomacy, DCMS (Observer) |
| Gavin Landry | Director Americas |

1.2: Declarations of Interest/Conflicts

1. There were no declarations of interests raised.

1.3: Minutes of the Meeting on 27th September 2022 (For approval)

2. The minutes from the last meeting were approved.

1.4 Matters Arising / Action Tracker

3. Each action received an updated on the action tracker.

1.5 Chair's update

4. Nick de Bois, the newly appointed BTA Board Chair, opened the meeting by warmly thanking Dame Judith Macgregor for her interim leadership as Chair, having established key political relationships during a challenging period of recovery and continued commitment to driving forward the strategic priorities. The Chair confirmed that Fiona Pollard had been appointed interim Chair of VEAB with immediate effect (apologies were noted for this meetings).
5. The Chair set out his priorities as advocacy for the organisation across government, the sector and to promote the UK as the destination of choice for our international markets. Primarily, he looked forward to working with Management to drive the strategic objectives as set by the board. Underpinning this work would be the requirement to demonstrate value across government through strengthened engagement, outcomes and to build our data sources to inform decision making.
6. The Chair advised there were a series key of meetings on the horizon to help build relationships; the Inter-Ministerial Group (IMG) on the 14th December and a meeting with the new minister on the 21st December. He reported on recent events he had attended; 'Recognising the value of youth and student travel' hosted by the British Educational Travel Association; and, The Business of Events – UK Policy Forum which he joined with Dame Judith Macgregor.
7. Further points raised by Board Members then followed:
 - Hanna Ostling advised that a Lead Review had been identified for the ALB Review and anticipated this would be announce before the 15th December.
 - The DMO Review pilot has been confirmed in the North East.
 - Dame Judith Macgregor enquired on the outcome of the 'Promoting Britain Abroad' paper (presented to DCMS Select Committee), and whether this paper could be shared with different audiences. Hanna Ostling confirmed that the government's response was due in January 2023.

ACTION: To explore whether the 'Promoting Britain Abroad' paper could be brought to the IMG on 14th Dec to inform Ministers before the expected outcome in Jan 2023.

2.0 Matters for discussion

2.1: Pollical update

8. The CEO provided a summary on the political activity, the highlights were as followed:
 - Oliver Dowden was confirmed as the new Minster for GREAT, and was due to Chair the GREAT Programme Board next week – it was also reported the Prime Minister's office were meeting weekly with GREAT to ensure alignment with priorities.
 - Tourism Industry Council had met this week and focused on the following two working groups; driving inbound tourism and business events.
 - Statutory registration – this continued to be a political drive thought to be linked to the Levelling up Bill.
 - Tourism levies – local businesses in Manchester were proposing to implement a new levy of £1 per night, paid for by the consumer, to be put back into the tourism industry. It was anticipated that other cities would also consider a similar system. Ian Edwards advised that a tourism tax was also being explored in Wales. Lord Thurso added that VisitScotland had campaigned for this in the past without success, and that the government later introduced a Local Visitor levy to fund improvements to areas such as cleaning and transport, rather than directly into the tourism industry. Board Members were mindful of this being regarded as an additional tax by both consumer and industry, and to not underestimate the potential financial implications, particularly amongst larger hotel chains. The Chair

concluded the possible impact to competitiveness, and that the BTA should look to inform policy makers on the possibilities and consequences.

ACTION: To examine and prepare advice for policy makers on the BTA positions to tourism levies; to consider the impact on the visitor economy and competitiveness, to inform statutory advice.

- The CEO highlighted that the Labour Party had recently published a report on major constitutional changes and flagged the most relevance points as; the continued focus to move civil service jobs outside of London; giving local authorities new fiscal powers to raise revenue; and, establishing regional innovations.
- The CEO had been asked to give verbal evidence at the Scottish Affairs Select Committee on Inward Investment in the new year.
- The CEO was invited to attend roundtables hosted by the Ambassador in Paris on Border Competitiveness in the new year.

2.2 CEO update & Dashboard

9. The CEO took the BTA dashboard as read and highlighted the following reports:
 - *Rebuild International Visitor Value* – the next phase of the GREAT campaign was on track for launch in February 2023. The Gateway Innovation Fund was due to award grants to four applicants with matched investment.
 - *Building our Future* – the DCXP consumer product delivery was on track for December and the industry product was on track for March 2023. The CRM managers were now in place to lead on embedding; the China and Nordics offices were testing the proposed operating model and will provide recommendations.
 - *Build the English Visitor Economy* – North East had been granted the funding allocation for the new DDP pilot.
 - The Quality Accreditation was awarded to AA and their KPIs were under development. Business Events reported growth in the sector and that two staff members had also received recognition for their work.
10. The CEO Engagement Schedule was tabled, which demonstrated an increase of engagement with trade; Board Members were asked to consider participation in events of interest. The CEO flagged the Britain and Ireland Market Place on Thursday 26th January as an invitation of particular interest and would share more information regarding this invitation with the Board.
11. The Chair valued regular sight of the Engagement Schedule and agreed this could optimise opportunities for advancing our corporate objectives with wider Board engagement.

ACTION: Board Members were asked to regularly review the CEO Engagement schedule and volunteer where of interest, and to also flag any events that were already attending.

12. The CEO announced that the pay remit proposal had been approved by DCMS and staff were due to receive this uplift in December; the CEO thanked Debra Lang and the HR Team for their commitment to achieving this. The implementation of the new organisational design was taking shape, all staff announcements on this activity were due to take place next week.

2.3: Finance 2022/23

13. Serena Jacobs reported that an overall overspend was currently being forecast and that mitigations were in place to ensure that this did not actually materialise. This was also supported by the new approach to monthly forecast reviews which had improved the accuracy and confidence in the expected outturn.
14. Serena Jacobs provided an update to the Indian Subsidiary, explaining that a health check was undertaken in 2021 which surfaced an issue in connection with cash collection and whether a Reserve Bank of India (RBI) approval was in place - to date, no evidence of this had been found. Action was being taken to decide next steps and ARC had been informed to provide support. Dame Judith Macgregor suggested that engaging the embassy may enable an avenue for support.
15. The CEO asked the Board to note that the outline funding against priorities requested at the Strategy Day had been circulated with papers for any comment (alongside the action tracker).

2.4: Inbound Tourism Forecast 2023 – sign off

16. Richard Nicholls joined the Board to present on the inbound forecast for 2023, that was based on a full year estimate for 2022, and took the paper as read. It was reported that volume (based on data from the International Passenger Survey, flight passenger bookings and other modes of travel) in 2022 was forecast to reach 29.7 million visits for the full year which represents 73% of 2019 levels, with value to reach £25.9bn, or 91% of 2019 levels in nominal terms. Taking into account the pace of recent bookings, the overall prospects for 2023 looked positive. It was acknowledged that inbound spend had recovered faster than visits, due to longer length of stays as well as an increase in spend per night in line with inflation. In summary, visit volumes in 2023 were predicted to return to 35.1 million, representing 86% of 2019 levels, with spending reaching a record in nominal terms of £29.5 billion, 104% of the 2019 level; this was delicately balanced on assumptions made on the economy and inflation, and that Covid would not present any fresh challenges.
17. Board Members were grateful for this detailed analysis and made the following observations:
 - There was caution on the impact of the recession to the market, which had potential to show effect after a delayed period and could take a longer time than expected to recover. It was also acknowledged that profit in the industry could be quickly impacted on due to post pandemic budgets. Richard Nicholls recognised these as risks to the downside, a phrase which would be added to the public release.
 - The Board sought assurance on the accuracy from previous forecasts and whether the approach was consistent. Richard Nicholls explained that the previous forecast had been upgraded as recovery had been quicker than anticipated, and that the approach post pandemic had moved away from using conventional moving average models used pre-COVID, and was now based on tracking recent patterns in passengers by mode.
 - The importance of consumer psychology was recognised e.g. the luxury market was currently in high demand.
18. There was agreement from Board Members on the sense of direction and confidence in the approach to accuracy. The Chair sought consensus and the forecast was approved.

2.5: Marketing plan 2023/24

19. The CEO reported that marketing planning timelines had been brought forward in order to align with GREAT and secure ministerial approval before the 1st April 2023 – this was a new way of working more collaboratively that assisted the PASS forms process. Robin Johnson presented the Marketing and Sales plan for 2023/24 and the paper was taken as read. He sought advice on the recommendations made following the deep dive with Board Members in September, which set the sense of direction. Emma Wilkinson joined the meeting and focused on the new initiative in the 2023/24 plan, which were; greater industry engagement; new Britain sustainable growth framework; an improved set of tools to tell and sell the Britain story; and, an increased focus on content curation.
20. Board Members were asked to share comments on the proposed recommendations to ensure they delivered against strategic priorities, which was summarised as the following:
 - The shift towards enabling may require a revision to measurements going forward.
 - Clarity surrounding the ROI model was sought – it was confirmed this was set in in collaboration with GREAT and was evidenced through economic modelling, noting that improvements were needed in order to gather evidence of delivery at regional level. It was recognised that the CRM system will enhance this research.
 - The benefits of researching key segments was raised, to gain more accurate insight on why consumers do not choose Britain. It was suggested that data from GREAT could provide this metric and help to inform the marketing direction.
 - The introduction of the Sales and Advisory Board was positively endorsed, and recognised that enhancing engagement would improve performance and help to align with industry.
21. The Chair thanked Robin Johnson and his team for this collaborative approach and welcomed the feedback from Board Members, and underlined the importance of regional links - the recommendations were approved.

3.0: Corporate updates

3.1: VEAB update

22. Andrew Stokes gave a readout from the recent VEAB, the core activity reported on was as followed:
- DMO implementation – following the roundtables, an update of the plan, a proposed timetable and frequently asked questions were imminently expected. Fiona Pollard, interim VEAB Chair, had commissioned a sub committee which would be chaired by Nigel Wilkinson and attended by Sarah Fowler and Andy Wood.
 - The accreditation tender had been awarded to AA Media. This had been supported by Nadine Thomas.
 - Digital transformation – a learning and development system was being developed to upskill SME and internal staff.
 - England Ground Work – the first tranche was being undertaken in quarter 4 of this financial year. Consideration was currently being given to the delivery of the second tranche, which was receiving support from Allan Lambert.
 - Accessibility – this remained a priority and discussions had taken place on the ambition to become the most accessible destination worldwide; this was being led by Ross Calladine who was an industry leader.
 - Commercial - a gift card project had been tendered. The voucher scheme was on track for quarter 4. These had received support from Nadine Thomas.
 - TXGB – it was reported that Northern Ireland had renewed their contract. There had been positive developments with partners, namely new contracts with AA and AVIVO.

3.2: ARC update

23. Carol Hui provided an overview on the activity discussed at ARC in November, which was as followed:
- Terms of Reference – ARC had proposed changes which would be sent to the Board for clearance. The main changes were: the membership term was clarified as 5 years (thereafter an extension would be agreed by the Board), and detail specifying the processes relating to value for money was added.
 - Delegation of authority – an extraordinary meeting was being schedule in January 2023 for the ARC to review this before being presented to the BTA Board in March 2023.
 - Indian Subsidiary – ARC was keen to seek assurance they had complete oversight of overseas offices and have asked Management for a briefing.
 - Internal audit - GIAA reported a satisfactory follow-up review on ransomware. GIAA also recommended a briefing from the National Cyber Security accreditations; a briefing was suggested to come to ARC and/or BTA Board. Grants was an area that internal audit were also reviewing.
 - External auditors – the audit plan would be produced in January 2023. The draft Annual Report Accounts will go to the BTA Board once scrutinised by the ARC. The Chair was keen to gain early insight of the themes.

ACTION: To report on the proposed Annual Report Accounts themes in January 2023.

- Risk register (these were reviewed at ARC with George Flanagan) – Commercial: this rating remained unchanged and noted it would take time to achieve the target score (ARC had asked Management for more insight to this). Transformations: there were updates to mitigations noted. Consideration was being given to reviewing the resources plan to unlock any further opportunities. Cyber security: residual risk was lowered due to recommendations but the target risk score increased due to the threat.
- ARC Members had agreed to concentrate on the following focus areas: grants, value for money, governance and delegated authority levels, cyber risk, impact of internal controls of increased home working, pensions liability and overseas subsidiaries. This highlighted overlaps between matters raised at ARC and RPC, and that going forward a regular meeting between Chairs to align any overlapping areas would be introduced.
- The framework agreement was currently with DCMS and was scheduled to be finalised at the end of December.

3.3: RPC update

24. Dame Judith Macgregor reported that the RPC convened an extraordinary meeting in October to review the proposed

pay remit before submitting to DCMS, which was later approved. The next meeting was scheduled in January 2023, where she would reassume as Chair and thanked Fiona Pollard for her ongoing support as interim Chair. It was proposed this meeting would address; updates on cultural change; organisational design; and, the estates strategy. Plans were in progress to refresh to RPC terms of reference and also recognised that overlapping matters had been presented to both RPC and ARC.

ACTION: A regular meeting to be arranged between Chair of BTA Board, Chair of RPC and Chair of ARC to align overlapping matters.

ACTION: To consider Cyber as a deep dive theme at a future BTA Board.

4:0 Deep Dives

4.1: Transformation - Building our Future

25. The CEO provided a recap on the purpose of the programme and an overview of the benefits, which were; improved data and digital capabilities; organisational agility in a changing world; and, increased productivity and greater assurance on compliance. Saul Batzofin joined the meeting to present on the three-year deliverables and talked through activity in each of the workstreams. It was recognised that year one saw a large volume of initiating projects before delivery could materialise; this was also reflected in the front-loaded funding allocation. Fiona Pollard, Interim Chair of VEAB, had been mentoring this programme and had provided invaluable support towards reaching this stage.
26. Focus was applied to the more complex workstreams, where a more detailed update was provided by the Programme lead:
 - Data transformation – good progress had been made through the discovery phase. Recommendation for the technical architecture and tool set was due to be presented to Directors in the next few weeks, which was ahead of schedule. Progress was being made on prioritising data; data owners were now in place to support the programme team.
 - DCXP – the resourcing plan had proved challenging. External skills had been utilised to mitigate this risk and were now ready to deliver on systems.
 - Commercial – Andrew Stokes reported there were 13 projects, and focused on the following areas; capability to increase the retail shop; the introduction of gift cards; addition of accessing accommodation through VB shop; and, VB shop extensions (work with OTAs in markets). Each project had been through a process of setting commercial targets, and consideration was also being given to longer term opportunities by reviewing the commercial model.
 - Organisational Design – Debra Lang advised that the cultural enquiry had recognised that staff were keen to engage on change and were currently running workshops in each Directorate to consult on the organisational purpose and the refresh of values – this was on course to be published in the new year. A model was being developed to resolve resourcing issue across the programme.
27. Saul Batzofin reported on the progress to date, finances and the risks. The focus would now move towards identifying and celebrating the deliverables. The CEO thanked Saul for his continued commitment to overcome challenges.
28. Board Members welcomed the insightful presentation and made the following observations:
 - Having moved from delivery of solution to creating impact, the importance of a success matrix to measure delivery was emphasised, and the need for a high-level version for oversight at the Board. It was also suggested that this should address value for money and demonstrate how success was measured against investment, and detail the tools and governance in place to support this.

ACTION: To share with the Board a high-level summary used to measure key deliverables e.g. KPIs, benefits realisation.

- To explore areas to test and learn that could identify learnings and would help visualise what was being developed e.g. marketing and international activity.
- There was a need to understand the risk associated with driving commercial profit within an ALB setting and to be aware of the limitations
- The importance of articulating at each step the impact and benefits to employees that the programme enabled.

4.2: Political engagement

29. Rachael Farrington joined the meeting to update Board Members on policy and political engagement, and to provide a forward look at planned activity/ opportunities. The Tourism Affairs team had restructured activity in order to better deliver on corporate priorities and stakeholder engagement, which were; advocacy; policy, CEO/ Chair/ Board Support; and, Internal Advisory. Rachael Farrington shared the infographic and Border Competitiveness document and sought advice on sharing material across government whilst recognising our role as an ALB.
30. Board Members were grateful this detailed approach and shared the following observations:
- That there was a key difference between providing policy advice and policy facts/issues, and that this would determine our position.
 - It was raised whether messaging could be directed through other forums to enhance impact e.g. the Tourism Industry Council.
 - To share more information with Board Members on current engagement activity to enhance their ambassador role.
 - To expand on the strategy to forward plan and coordinate with all forms of messaging e.g. feed into the ARA, roundtables etc.
 - The benefit of including external research to strengthen our position and enhance our reputation, and to expand on the use of open source data.
 - To align messaging with activity recorded on the CEO Engagement schedule.
 - To identify and narrow our target message to enable more focus on landing with the audience, also recognising the political challenges.
 - The need for a version of the infographic to further explain the 'value of visitor economy' to support the value of the BTA – Shivah Jahangir-Tafreshi confirmed this was already in progress.

ACTION: To routinely share with Board papers any update on political engagement activity or changes to the core script.

5:0 papers for noting

31. The Chair noted these papers and no comment was brought for discussion at the meeting.

6.0: Any other business

32. No further items were presented. The date of the next meeting was confirmed as 31st January 2023.

The meeting closed at 1400.